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**Report to:** West Yorkshire and York Investment Committee

**Date:** 7 November 2018

**Subject:** **Leeds City College, Quarry Hill - Project Update**

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## **1. Purpose of this report**

- 1.1 To note the update on progress and the due diligence undertaken and consider the proposal to recommend that the Combined Authority's Managing Director exercises his delegated authority to approve a loan facility of £6.5 million to Leeds City College – Quarry Hill project.

## **2. Information**

- 2.1. On 1 December 2016 the Combined Authority approved the full business case and funding for the Leeds City College, Quarry Hill project. The approval was for a £33.4 million grant with an in principle agreement for a loan facility of up to £8.8 million.
- 2.2 On 5 September 2018 the Investment Committee resolved that the Combined Authority's Managing Director exercise his delegated authority as follows:
- (a) that the remaining grant balance (less retention) is released, subject to the conditions outlined in paragraph 8 of exempt Appendix 1;
  - (b) that approval be given for the College to drawdown against the previously approved loan facility for a loan of up to £6.5 million, subject to the conditions as outlined in exempt Appendix 1;
  - (c) that the Combined Authority's restriction on the Technology Campus be lifted, subject to the conditions as outlined in exempt Appendix 1.

- 2.3 Once completed the Quarry Hill project will deliver 15,000 sq m of new build floor space and 6,000 sq m refurbished floor space to the College's existing Park Lane campus, and will include disposal of a number of assets.
- 2.4 Construction work for the 9-storey development began in July 2017. The new Quarry Hill campus will become the college's Creative and Digital Arts and Health and Social Sciences departments. It will also house new space for the expansion of Leeds College of Music (LCoM) recording studio facilities for music courses. Construction work is expected to be complete by August 2019, ready for use in the 2019/20 academic year.
- 2.5 An update on the project is outlined in exempt **Appendix 1**.

### **3. Financial Implications**

- 3.1. The financial implications, risks and the drawdown and repayment schedules are explained in exempt **Appendix 1**.

### **4. Legal Implications**

- 4.1. The information contained in **Appendix 1** is exempt under paragraph 3 of Part 1 to Schedule 12A of the Local Government Act 1972 as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that the public interest in maintaining the content of the appendix as exempt outweighs the public interest in disclosing the information as publication could prejudice current and future decision making.

### **5. Staffing Implications**

- 5.1 There are no staffing implications.

### **6. External Consultees**

- 6.1 The College and external legal advisors have been consulted.

### **7. Recommendations**

- 7.1 To note the update on progress and the current status of the Leeds City College Quarry Hill Skills Capital Project.
- 7.2 The Investment Committee recommend that the Combined Authority's Managing Director exercises his delegated authority to:
- (i) enter into a loan agreement for £6.5m to Leeds City College and for the College to drawdown against the loan facility, subject to the conditions outlined in exempt Appendix 1.

**7. Background Documents**

7.1 None

**8. Appendices**

Exempt Appendix 1 – Leeds City College, Quarry Hill – Detailed project update and recommendations